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Letter dated 6 December 2004 from the Chairman of the Security Council Committee established pursuant to resolution 1373 (2001) concerning counter-terrorism addressed to the President of the Security Council

I write with reference to my letter of 19 October 2004 (S/2004/849). The Counter-Terrorism Committee has received the attached fourth report from Azerbaijan submitted pursuant to paragraph 6 of resolution 1373 (2001) (see annex). I would be grateful if you could arrange for the present letter and its annex to be circulated as a document of the Security Council.

(*Signed*) Andrey I. **Denisov**
Chairman
Security Council Committee established pursuant to resolution 1373 (2001) concerning counter-terrorism

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Annex

Note verbale dated 3 December 2004 from the Permanent Mission of Azerbaijan addressed to the Chairman of the Counter-Terrorism Committee

The Permanent Mission of the Republic of Azerbaijan to the United Nations presents its compliments to the Chairman and, with reference to the letter of 20 September 2004 from the Chairman, has the honour to submit herewith the fourth report of the Republic of Azerbaijan, which provides information on issues raised by the Committee (see enclosure).

Enclosure*

Report of the Republic of Azerbaijan to the Counter-Terrorism Committee of the United Nations Security Council

[Original: Russian]

In accordance with paragraph 6 of Security Council resolution 1373 (2001), Azerbaijan hereby transmits to the Counter-Terrorism Committee (CTC) of the United Nations Security Council its fourth report, in response to the letter dated 20 September 2004 from the CTC Chairman, Andrey Denisov.

1. Implementation measures

1.1 Article 214-1 of the Criminal Code of Azerbaijan adopted on 1 September 2000 specifies penalties for the financing of terrorism. It states that an offence is considered to have been committed from the start of the commission of a criminal act. Thus, in accordance with the letter of domestic law, with paragraph 1 (b) of Security Council resolution 1373 (2001) and with articles 2 and 3 of the International Convention for the Suppression of the Financing of Terrorism, the advancing, in full or in part, directly or indirectly, or the collection of monetary or material resources for the purpose of the commission of a terrorist act is criminalized, regardless of whether the terrorist act was committed or attempted.

1.2 Illegal military formations/groupings for which there is no provision in the legislation of Azerbaijan are armed formations of two or more persons that are not part of the Armed Forces of Azerbaijan and are constituted and carrying out activities in violation of the law of Azerbaijan. Participation in the constitution of illegal military formations is an offence under article 219-1 of the Criminal Code. Under article 219-1, subparagraph (c), any person who involves or recruits others into an illegal armed formation/group is committing an offence, even if that person is not actually a member of the group concerned.

A formation is considered to be armed if even one of its members carries weapons. However, this fact must be known to at least one of the other members of the formation. Otherwise, the formation does not have the characteristics of an armed formation/grouping. Under article 279 of the Criminal Code of the Republic of Azerbaijan, members of the formation who were not aware of the presence of weapons cannot be held liable.

In accordance with article 33-1 of the Criminal Code, the criminal liability of members of a criminal formation depends on the nature and extent of actual participation or complicity in the commission of an offence. In addition, under article 64 of the Criminal Code, the severity of the penalty applied to each participant depends on the nature and extent of participation, the influence on the commission of the offence, the harm inflicted and the existence of aggravating or mitigating circumstances.

1.3 Following the adoption on 17 May 2002 of the Act on the introduction of changes and additions to certain legislative acts of the Republic of Azerbaijan in connection with the application of the Act on the accession of the Republic of

* Annexes are on file with the secretariat and are available for consultation.

Azerbaijan to the International Convention for the Suppression of the Financing of Terrorism, changes were made in the Counter-Terrorism Act and in the Criminal Code.

In order to implement article 2, paragraph 4, of the Convention, the necessary changes were introduced in articles 27.2 and 27.3 of the Criminal Code of Azerbaijan so that an attempt to commit a crime, being considered equivalent to an incomplete offence, is punishable under the procedure providing for liability for the commission of crimes under the relevant articles of the Criminal Code. In order to implement article 2, paragraph 5, of the Convention, changes were introduced in articles 32 and 33 of the Criminal Code so that organizers, instigators and accessories subject to criminal liability under the relevant article of the Criminal Code are considered as accomplices in an offence, together with the perpetrators.

Provisions were added to articles 214 and 214-1-c of the Criminal Code on liability for the financing of terrorism. Such acts are classified as serious and particularly serious offences and are punished by deprivation of liberty for 8 to 15 years or by life imprisonment.

In accordance with articles 3 to 6 of the Presidential Decree of 25 August 2000 on the enforcement of the Act on the confirmation and entry into force of the Code of Criminal Procedure, investigations under articles 214 (Terrorism), 214-1 (Financing of terrorism) and 216 (Provision of false information concerning a terrorist act) of the Criminal Code are conducted by the Ministry of National Security and the Ministry of Internal Affairs of Azerbaijan. Supervision of compliance with the law in this area is provided within the framework of the relevant powers by the Prosecutor and the judicial organs.

Article 5 of the International Convention for the Suppression of the Financing of Terrorism is reflected in article 19 (Liability of organizations for terrorist activity) of the Act of 18 June 1999, under which organizations and their affiliates and missions engaging in activities in the territory of the Republic of Azerbaijan and having links with terrorism are to be dissolved under the procedure established by law and their property is to be confiscated and given to the State. Applications to the court requesting that organizations should be held liable for terrorist activities are submitted by the Procurator-General of the Republic of Azerbaijan and his deputies. According to Presidential Decree No. 920 of 11 May 2002 on the Plan of action to implement Security Council resolutions 1368 (2001), 1373 (2001) and 1377 (2001), the confiscation of property, assets and other resources of persons and entities involved in terrorist activities is effected by the local authorities.

The provisions of article 14 of the Convention are incorporated in the Act of 15 May 2001 on the extradition of offenders. According to footnote 1 to article 3 of the Act, a requested country may not refuse to extradite a terrorist on political grounds. An exception is made in the case of nationals of Azerbaijan, because domestic law does not provide for their extradition. In this case and other cases envisaged in domestic law, the accused must be brought to justice in the national courts.

Article 18 of the Convention has also been reflected in domestic law. Persons or organizations that have committed or organized or instigated the commission of offences set forth in article 2 of the Convention are held criminally liable in the territory of Azerbaijan. In this connection, persons are liable under the Criminal

Code of Azerbaijan and entities are liable under the above-mentioned Counter-Terrorism Act.

For offences connected with terrorism and for a number of other serious offences, the criminal law of the Republic of Azerbaijan provides for universal jurisdiction: persons who have committed such offences are liable under the Criminal Code of Azerbaijan, regardless of where the offence was committed.

The first report of Azerbaijan to CTC (S/2001/1325) gave information on other offences connected with terrorism that are covered by the Criminal Code.

1.4 In accordance with the Acts on the National Bank of the Republic of Azerbaijan, on banking and on the regulation of currency transactions, banks operating in Azerbaijan are required to submit suspicious transaction reports to the National Bank of Azerbaijan.

According to the regulations and instructions of the National Bank, the following criteria are used for reporting:

- Conveyance outside Azerbaijan by persons of sums of money exceeding the equivalent of US$ 10,000. The most detailed reporting is required for sums exceeding US$ 50,000;
- Conveyance outside Azerbaijan by entities of advance payments exceeding the equivalent of US$ 25,000;
- Other financial transactions with no apparent economic rationale;
- Cross-border imports of cash exceeding the equivalent of US$ 50,000.

If persons residing in Azerbaijan import currency exceeding the equivalent of US$ 50,000, the Azerbaijani customs must, within one week, provide to the National Bank and the Ministry of Taxation of Azerbaijan information on the person concerned, the import date and the exact sum imported. A resident of Azerbaijan who, after previously importing into Azerbaijan foreign currency equivalent to over US$ 50,000, conveys the currency out of the country must present a document proving that the sum was provided to him by a bank or credit institution of the State concerned. The same rules apply to persons residing in Azerbaijan.

Under the law, banks providing false information, violating requirements on suspicious transaction reporting or violating accountability and other decrees and resolutions are subject to the following penalties:

- Limitation or prohibition of certain types of activity;
- Temporary suspension of supervisors;
- Limitation of deposits in deposit accounts;
- Suspension or limitation of permission to obtain funds from foreign banks and their branches;
- Prohibition and limitation of acceptance of capital and shares of entities;
- Cessation and liquidation of activity of the bank's branches or agencies;
- Limitation or cessation of payment of dividends;
- Imposition of fines on the bank and its supervisors;
- Revocation of the bank's licence.

Azerbaijan has no financial intelligence unit. The National Bank performs some of the functions of such a unit. Some form of monitoring is provided through the above-mentioned reporting, analysis of financial operations transacted, etc.

An Expert Group to combat money-laundering and the financing of terrorism was created on 13 May 2003 in the Cabinet of Ministers of Azerbaijan. The Cabinet of Ministers is currently considering a plan of action providing for the adoption of an Act on money-laundering and the financing of terrorism and the creation of a financial intelligence unit.

The Ministry of National Security of Azerbaijan is cooperating to combat the financing of terrorism with other States and international organizations, exchanging information and adopting the necessary operational and preventive measures.

1.5 In accordance with the law, there are no independent foreign exchange bureaux in Azerbaijan. Such operations are transacted through banks.

During 2003, the National Bank received reports of 943 transactions covered by the criteria enumerated under 1.4 above. The relevant reports were transmitted to the appropriate law enforcement agencies, but no criminal motives were identified.

1.6 In accordance with article 42 of the Act on banks and the relevant provisions of the Rules on currency transactions by residents and non-residents of the Republic of Azerbaijan, the Instructions on monetary transfers and clearing operations and the Instructions on the opening of bank accounts, banks are required to identify their clients. When conducting financial transactions, banks must obtain from clients the relevant information on the recipient (beneficiary) of sums of money. Accounts may not be opened anonymously. In accordance with the Act on the regulation of currency transactions, the National Bank establishes the rules on the transfer of sums of money to the Republic of Azerbaijan by resident entities and on imports of cash into and exports of currency from the country.

In accordance with these rules for the identification of clients:

- A notarized document of State registration and recording in the State register in statistical organizations, a registration certificate issued by the Ministry of Taxation, statutes, sample stamps and signatures and proof of identity are required to open a bank account;
- Proof of identity (in the case of an entity, State registration) and a sample signature are required to open a bank account in the name of another person;
- Information concerning the beneficiary and his personal details and the relevant documents (contract, invoice, etc.) are required to transact financial operations.

There are no trusts or organizations of that kind in Azerbaijan. In general, the rules on the identification of bank accounts and transactions apply to all public and private organizations and enterprises, whether resident or non-resident.

1.7 The National Bank has a training programme for its staff on combating money-laundering and the financing of terrorism. Appropriate seminars and educational programmes are provided. National Bank staff also participate in various conferences and seminars held by international organizations and other States. The National Bank's Training Centre has a special educational programme on such subjects as prevention of money-laundering and methods of identifying

suspicious financial transactions. The Training Centre also provides consultancy services and makes recommendations to banks on such questions as auditing, money-laundering and internal accounting.

1.8 International experience and practice are taken into account in matters of auditing of financial transactions, accounting, regulatory activities, internal oversight, managerial training and other activities.

The questions of the liability and penalties applicable to persons involved in financial transactions and the monitoring of the submission of suspicious transaction reports are partly covered in paragraph 1.4 of this report.

1.9 The National Bank has identified and frozen the accounts of two organizations included in the list of the Security Council Committee established pursuant to resolution 1267 (1999).

The National Bank audits the credit activities of banks, imposes penalties and monitors the internal system to combat money-laundering and the financing of terrorism in accordance with the Acts on banking, on the National Bank of the Republic of Azerbaijan and on the regulation of currency transactions, and with National Bank regulations. The National Bank's instructions on drafting reports and providing information are binding on the banks of Azerbaijan. The National Bank also conducts inspections to determine the accounting treatment of suspicious banking transactions. In that connection, as indicated earlier, currency exchange and money transfers are conducted through banks. The National Bank also monitors these banking transactions. Scheduled inspections of banks are conducted once a year. If necessary, various types of banking transactions are monitored individually.

1.10 As was mentioned in subparagraphs 1 (a) and (b) of the third report of Azerbaijan to the Counter-Terrorism Committee, a plan of action was adopted by Presidential Decree No. 920 of 11 May 2002 to implement Security Council resolutions 1368 (2001), 1373 (2001) and 1377 (2001). In the aforementioned subparagraphs, there is also other relevant information on the laws and regulations which have been adopted.

The Cabinet of Ministers circulates all the lists of terrorists and organizations issued by the Security Council Committee established pursuant to resolution 1267 (1999) as well as lists received from foreign States.

In accordance with article 19 of the Counter-Terrorism Act of 18 June 1999, any organization (or affiliate or mission thereof) operating in the territory of the Republic of Azerbaijan which is linked with terrorist activities may be dissolved by court decision under the procedure established by law. In addition, the property of the dissolved organization is confiscated in accordance with Azerbaijani law and turned over to the State.

Since Azerbaijan's accession to the International Convention for the Suppression of the Financing of Terrorism and its adoption of the aforementioned national laws and regulations, the National Bank has been immediately freezing the accounts of organizations involved in the financing of terrorism and sending the relevant information to the law enforcement agencies.

In its earlier reports, Azerbaijan submitted information on measures taken in connection with the adoption of the relevant Security Council resolutions on

counter-terrorism and the International Convention for the Suppression of the Financing of Terrorism.

The National Bank has identified and frozen the accounts of two organizations, Benevolence International Foundation and Global Relief Foundation. The balance on their accounts was US$ 49.

Information on the dissolved organizations or branches of organizations involved in international terrorist activities is provided in Annex 1.

1.11 In accordance with the Code of Criminal Procedure, property and other assets may be confiscated prior to a court hearing if they are needed for the purposes of the investigation.

Appropriate measures may be taken against persons or entities regardless of whether they are acting on their own or on behalf of a third party (more details are provided in paragraph 1.12 of this report).

1.12 In accordance with article 51 of the Criminal Code, the instruments and funds used during the commission of a crime and also the proceeds of a crime are confiscated and turned over to the State without compensation to the offender. After a decision on confiscation is handed down, the court sends a copy of the decision and a list of confiscated property to the executive authorities and also informs the relevant financial institution. After all the other requirements under the law with respect to the confiscated property are met, the property is transferred to a financial body.

In accordance with the Code of Criminal Procedure, property and other assets may be confiscated prior to a court hearing if they are needed for the purposes of the investigation. That occurs through the seizure of the property. In the event of seizure of financial assets in an account, the bank concerned must cease all operations in the account. Monitoring, safekeeping and other activities in relation to the seized property before and during court proceedings are carried out by the Ministry of Internal Affairs, the Ministry of National Security, the Ministry of Taxation, the Ministry of Finance, the State Customs Committee, the State Border Service and the executive authorities of the court.

In accordance with the Code of Criminal Procedure, the obligation to execute the decisions of courts and investigative agencies of foreign States in the territory of the Republic of Azerbaijan is determined by the relevant international treaties to which Azerbaijan is a party. Any request by a foreign State for the seizure of property is considered within the framework of the appropriate international treaty. If there is no such treaty with a given foreign State, such a request may be made within the framework of the Act of Azerbaijan on legal assistance in criminal matters.

1.13 Money remittances and currency exchange take place in Azerbaijan through banks. The National Bank monitors these activities. (See paragraphs 1.5 and 1.9 above.)

1.14 The law enforcement agencies of Azerbaijan are actively cooperating with their foreign counterparts on all aspects of countering terrorism. The second and third reports of Azerbaijan to the Counter-Terrorism Committee provided relevant information on this issue.

Requests from foreign States are considered expeditiously and in accordance with international bilateral and multilateral treaties to which the Republic of Azerbaijan is a party.

In accordance with the Act on investigative activities of 28 October 1999, in order to protect life, health, human rights and freedoms, the legitimate interests of legal entities, State and military secrets and also national security from criminal infringement, investigative agencies must respond to requests from law enforcement agencies of foreign States and relevant international organizations, in accordance with the international treaties to which the Republic of Azerbaijan is a party. Such investigations are conducted on the basis of official requests from law enforcement agencies of foreign States or relevant international organizations. Decisions, written instructions or official requests to conduct investigations may be issued only by persons who have such authority on the basis of the law of the Republic of Azerbaijan. Decisions, written instructions or official requests to conduct investigations must include justification of the need for such investigations.

In accordance with the Act on legal assistance in criminal matters of 29 June 2001, the Ministry of Justice or other competent authority of the Republic of Azerbaijan must submit to the competent authority of the foreign State official materials, documents and information not barred from transfer under Azerbaijani law.

Persons under arrest or sentenced to a term of imprisonment in the Republic of Azerbaijan may, with their consent, be handed over to a foreign State if permitted under Azerbaijani law for the purpose of establishing identity, giving evidence or providing other legal assistance in criminal cases which are either under investigation or being tried.

No criminal cases have been brought against non-profit organizations in Azerbaijan on grounds of their possible involvement in the financing of terrorism.

Several organizations have been dissolved and their accounts frozen on the grounds mentioned in paragraph 1.10 of this report. See also Annex 1 and the previous reports of Azerbaijan to the Counter-Terrorism Committee.

1.15 The National Bank of Azerbaijan is cooperating with several international organizations, financial and credit institutions and foreign banking partners to combat money-laundering and the financing of terrorism. It intends to enhance its professional expertise in this sphere.

Export and import operations in Azerbaijan are regulated within the framework of the currency regime. The customs authorities register the import and export of goods; the prices shown on the invoices and customs declarations are verified in accordance with international practice. (See also paragraphs 1.16 and 1.17.)

1.16 The State Customs Committee monitors the transport of currency across the customs borders of Azerbaijan. When transporting currency, persons and entities must show the relevant information in the customs declaration. Paragraph 1.4 of this report describes the regulations concerning declared amounts and the procedure to be followed by the customs services to provide information to the relevant agencies of Azerbaijan. The State Customs Committee provides the National Bank with a report on currency imports into the country once a month.

1.17 In accordance with article 11-1 of the Act on customs tariffs, the valuation of imported and exported goods is based on international practice. The law provides for penalties against underreporting or misrepresenting the value of goods. In the event that criminal acts are discovered during such investigations, criminal charges are brought against the persons involved in accordance with the Criminal Code and the Code of Criminal Procedure.

The aforementioned Act on customs tariffs, a decree by the Cabinet of Ministers on the rules for the application of the customs system of evaluation of goods imported and exported across the customs borders of the Republic of Azerbaijan, stock exchange quotations and various price databases are used to evaluate goods.

1.18 In accordance with article 14 of the Act on citizenship, in the event that a person applying for citizenship is found to have ties with terrorism, such request is declined.

In accordance with article 7 of the Immigration Act, immigration applications by foreign nationals or stateless persons are declined in the event that the person in question poses a threat to security and public order; has no identification papers; submits false documents or information; or has been convicted of serious or particularly serious crimes over the previous five years. Under the procedure established by law, such person would be expelled from the territory of Azerbaijan.

After receiving Azerbaijani citizenship, a person may change his or her first and last name under the general procedure established by the law of Azerbaijan.

1.19 The categories of goods prohibited from being imported into the country are determined by the law of Azerbaijan. In addition, the transport of especially dangerous goods, depending on their specific characteristics, requires prior authorization by the appropriate State agency. The list of goods requiring special authorization for transport is determined in accordance with the Rules on the regulation of export and import operations in the Republic of Azerbaijan and other legislative acts. A bill on export control has been drafted and was adopted on third reading by the Milli Mejlis (Parliament).

1.20 Azerbaijan currently has a computerized passport system giving it strict control over the issuance and registration of passports. The measures to protect passports from counterfeiting meet international technological standards. All information on national passports and also on persons entering the country and their identification papers and passports is gathered in a single database. The Ministry of Internal Affairs, the Ministry of National Security, the Ministry of Foreign Affairs and the Border Service cooperate closely in this area. (See also subparagraph 2 (g) of the third report of Azerbaijan to the Counter-Terrorism Committee.)

1.21 The Republic of Azerbaijan is a member of the World Customs Organization (WCO) and implements the relevant standards adopted by WCO. As a member of the Customs Enforcement Network established by WCO, Azerbaijan exchanges information on offences through the Regional Intelligence Liaison Office (RILO).

Electronic registration, monitoring and accounting systems are now widely used. The exchange of information between customs posts takes place through an electronic reporting network. The customs and border services of Azerbaijan have a unified online information communication system. Customs posts provide daily

information electronically to the State Customs Committee on import and export operations.

Goods are checked at the borders by various agencies, depending on the type of merchandise. Monitoring of weapons, ammunition and explosives is carried out by the customs agencies, together with the border service.

There is a computerized information retrieval system along the entire border of Azerbaijan to monitor immigration.

The Aviation Safety Administration works with the State-owned Azerbaijani Airlines (Azal) to deal with all issues relating to civil aviation safety. In its work, the Administration is guided by the standards and recommendations of the International Civil Aviation Organization (ICAO) and also the national Guidelines on the prevention of acts of unlawful interference in civil aviation activities. Several other instruments have also been drafted to ensure civil aviation security, particularly the Instructions on verification of civil aviation, passengers, flight crew, service personnel, carry-on luggage, cargo, mail and on-board equipment. After the terrorist acts of 11 September 2001 in the United States of America, Azerbaijan introduced several measures on the recommendation of ICAO to strengthen civil aviation security. For example, a special electronic alarm system has been installed along the entire perimeter of the Heidar Aliev International Airport, as well as other surveillance equipment at the airport entrance. The ICAO inspection conducted in September 1999 resulted in a positive rating of the security service at Heidar Aliev International Airport and the introduction and implementation of the international standards and recommendations of ICAO. In 2004, the European Civil Aviation Conference also gave a positive rating to the organization of the security service at that airport on the basis of an expert audit.

A State programme on the prevention of acts of unlawful interference in civil aviation activities was adopted by the Cabinet of Ministers on 19 April 2004.

According to article 10 of the Customs Code, one of the duties of the customs agencies is to assist national agencies in combating international terrorism and preventing unlawful interference in civil aviation at airports of the Republic of Azerbaijan.

1.22 A. Legislation, regulations, administrative procedures

The following regulatory instruments govern the use and circulation of service and civilian weapons and ammunition:

- The Act on service and civilian weapons of 30 December 1997;
- Presidential Decree No. 769 of 2002 on the enforcement of the Decree on service and civilian weapons of 21 February 1998, by which the following regulations were approved:

1. Rules on the management of the State register of service and civilian weapons;

2. Rules on the acquisition, storage and use of service and civilian weapons in the territory of the Republic of Azerbaijan by entities of foreign States, foreign nationals and stateless persons;

3. Rules on the storage and bearing of service and civilian weapons; on the organization of training programmes in the official use of such weapons and verification of persons who are to use firearms; and on the acquisition of service weapons and their issuance to individuals;

4. Rules on the import into and export from the Republic of Azerbaijan of service and civilian weapons;

5. Rules on the sale of service and civilian weapons in the Republic of Azerbaijan;

6. Rules on the monitoring, storage, bearing, conveyance, dispatch and special use of service and civilian weapons;

7. Rules on the use of service weapons when performing official duties;

8. Weapons storage requirements;

9. Rules on the use of firearms for sports and hunting;

10. Rules on maintaining collections and organizing exhibitions of civilian weapons;

11. Rules on the acceptance and destruction of unserviceable weapons or weapons and ammunition which do not meet technical requirements;

12. Rules on the acceptance of weapons.

Issues of preventing the manufacture, stockpiling, transfer and possession of unmarked or inadequately marked weapons are regulated by the Act on service and civilian weapons. Azerbaijan has acceded to the Convention on the Marking of Plastic Explosives for the Purpose of Detection.

The criminal legislation of Azerbaijan provides for penalties for violation of the laws and regulations concerning the circulation of weapons and ammunition. Article 228 of the Criminal Code establishes penalties for the illegal acquisition, transfer to another person, sale, storage, conveyance and bearing of firearms, components and ammunition, explosives and equipment; article 229 — for the illegal manufacture of weapons; article 230 — for the negligent storage of weapons; article 231 — for the negligent performance of official obligations relating to the protection of weapons, ammunition, explosives and equipment; article 232 — for the theft or acquisition through extortion of firearms, ammunition, explosives and equipment; article 250 — for violation of the rules on the handling of weapons and objects posing a serious threat to the lives of others.

Articles 206.2-206.4 of the Criminal Code provide for criminal penalties in the form of deprivation of liberty for 3 to 12 years for violation of the customs regulations and smuggling of radioactive and explosive substances and equipment, weapons, military hardware, nuclear, chemical, biological and other types of weapons of mass destruction, and also materials and equipment used to manufacture such weapons. Preliminary investigations of such violations are carried out by the Ministry of National Security.

B. Export control

The bill on export control which has been drawn up provides for control mechanisms and the exchange of information on this issue. In addition, the export of a number of goods requires special authorization from the competent authorities.

Issues associated with weapons transactions are regulated by a Presidential Decree of 2 September 2002 approving the Rules on the issuance of licences for carrying out certain activities and the List of activities which require licences, and of the issuing authorities.

Pursuant to the Act on the regulation of export and import operations in the Republic of Azerbaijan, export and import operations involving weapons, military hardware and spare parts used in their manufacture take place by arrangement with the Cabinet of Ministers. Conveyance of service and civilian weapons and ammunition by individuals across the customs borders requires the authorization of the competent authorities in accordance with the Act on service and civilian weapons and the Rules on the import into and export from the Republic of Azerbaijan of service and civilian weapons. The requirement for importers and exporters of weapons or explosives to provide the customs service with the relevant information prior to their shipment, export or import is treated in the same way — so that, without prior authorization of the Cabinet of Ministers, these operations cannot be carried out. The Cabinet of Ministers, along with the Ministry of Internal Affairs, carefully evaluates each such request before issuing authorization. There is also close cooperation between the Ministry of Internal Affairs and the State Customs Committee in this respect.

In early 2004, the State Customs Committee drew up a plan for the establishment of a risk management system, and work is currently under way on the appropriate regulatory instruments.

C. Brokering

The Ministry of Defence requires brokers involved in the import and buying and selling of weapons to have the necessary accompanying documents, authorizations and licences for carrying out export and import operations.

Azerbaijan has signed treaties on cooperation in border and customs matters with a number of States; these treaties include provisions on combating smuggling in weapons, ammunition and explosives. Treaties and agreements have been signed with Georgia, Kazakhstan, Uzbekistan, Ukraine, France, the Netherlands and a number of other States.

Azerbaijan is the chairman of a working group on combating illegal trafficking in weapons, ammunition and radioactive materials established on its initiative within the framework of the international conference on border issues held in Siofok (Hungary) in 2002.

D. Stockpile management and security

The issues referred to in this subparagraph are governed by the regulatory instruments approved by Presidential Decree No. 769 of 2002 on the enforcement of the Decree on service and civilian weapons of 21 February 1998. (See also subparagraphs A and B of this report.)

At present no weapons or explosives are manufactured in Azerbaijan.

E. Law enforcement/ illegal trafficking

The Ministry of National Security, the Ministry of Internal Affairs, the State Border Service and other relevant departments carry out both preventive and investigative measures to combat weapons smuggling.

F. National point of contact

There is no national point of contact in Azerbaijan to act as liaison with other States on matters relating to the prevention of access to weapons by terrorists. The Ministry of National Security is involved in a range of measures, including international cooperation, to combat terrorism.

Furthermore, a package of measures is being developed to improve national coordination, as well as international cooperation, in combating terrorism.

Conclusion

The Government of the Republic of Azerbaijan is continuing to carry out methodological work to improve the legislative and regulatory base in the area of combating international terrorism. The cooperation of law enforcement bodies with foreign partners is expanding.

Azerbaijan would be grateful for any assistance and recommendations in this area and looks forward to further cooperation with CTC.